

2018-2019

XHARIEP DISTRICT MUNICIPALITY

ANNUAL REPORT (FINAL) Volume I

Contents

Version 4: 23 July 2012

CONTENTS

CONTENTS	2
PROPOSED REVISED ANNUAL REPORT TEMPLATE	5
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	6
COMPONENT A: MAYOR’S FOREWORD	6
COMPONENT B: EXECUTIVE SUMMARY	9
1.1. MUNICIPAL MANAGER’S OVERVIEW	9
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	10
1.3. FINANCIAL HEALTH OVERVIEW	12
1.4. AUDITOR GENERAL REPORT	13
1.5. STATUTORY ANNUAL REPORT PROCESS	14
CHAPTER 2 – GOVERNANCE	15
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	15
2.1 POLITICAL GOVERNANCE	16
2.2 ADMINISTRATIVE GOVERNANCE	19
COMPONENT B: INTERGOVERNMENTAL RELATIONS	20
2.3 INTERGOVERNMENTAL RELATIONS	20
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	21
2.3 PUBLIC MEETINGS	22
2.5 IDP PARTICIPATION AND ALIGNMENT	24
COMPONENT D: CORPORATE GOVERNANCE	25
2.6 RISK MANAGEMENT	26
2.7 ANTI-CORRUPTION AND FRAUD	26
2.8 SUPPLY CHAIN MANAGEMENT	27

Contents

2.10 WEBSITES	28
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	29
COMPONENT A: BASIC SERVICES.....	29
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	31
3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	34
3.67 DISASTER MANAGEMENT	35
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	37
3.69 EXECUTIVE AND COUNCIL.....	37
3.71 HUMAN RESOURCE SERVICES.....	41
3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	44
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	46
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE	78
(PERFORMANCE REPORT PART II)	78
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	79
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	79
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	80
4.3 INJURIES, SICKNESS AND SUSPENSIONS	80
4.5 SKILLS DEVELOPMENT AND TRAINING	82
COMPONENT D: OTHER FINANCIAL MATTERS	86
5.12 SUPPLY CHAIN MANAGEMENT	86
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	87
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017-2018	87
COMPONENT B: AUDITOR-GENERAL OPINION 2018-2019 (CURRENT YEAR)	90
GLOSSARY	101
APPENDICES.....	104
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	104
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	106

Contents

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	107
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018-2019	109
APPENDIX H – LONG TERM CONTRACTS	112
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	113
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	115
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	117
APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT.....	118
VOLUME II: ANNUAL FINANCIAL STATEMENTS	119
REPORT OF THE AUDITOR GENERAL.....	162

Preface

PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

Chapter 2

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Introduction

It gives me great pleasure to present Xhariep District Municipality’s 2018/2019 Annual Report covering the period 1 July 2018 to 30 June 2019. This report tracks the Municipality’s operational performance in the context of the priorities reflected in its approved 2015/16 Integrated Development Plan (IDP) and 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP).

In this Annual Report, the municipality presents its achievements, challenges faced during the financial year against the strategic objectives as set out in the IDP and SDBIP.

Vision

Through the strategic sessions that were held during the year under review, the below revised vision was agreed on

“A community-oriented municipality, with a sustainable environment for business and economic opportunities”, A heart of development for all.

(A Heart of Development with Opportunity for All)

During the 2018/2019 financial year, Council remained focused on addressing the following key priority areas outlined in the IDP document;

The IDP priorities of the Xhariep District Municipality are informed by the following:

- Local perspective, informed by situational analysis, developmental challenges, public participation processes and the 2016 Local Government Election Manifesto of the ruling party (given that district also form part of the Local Government Sphere).
- National perspective, informed by national priorities and Sustainable Development Goals.
- Provincial perspective, informed by the PGDP.

The review of the IDP remains consistent to the FSGP and the five-year IDP. The Executive Mayor also identified certain priorities for his term of office:

1. Economic growth and job creation
2. Tourism Development
3. Health and community development
4. A safe, clean and green city
5. A well-governed and managed municipality
6. HIV and AIDS
7. Education

The municipality continues to face challenges with regards to its finances for full blown service delivery plans but we remain positive that change will come in the near future.

In the interim, we as a municipality will continue to stand united notwithstanding the challenges we face on a daily basis. It is against that backdrop that we announce that:

- No Municipality in the entire Free State with **23 municipalities** (of the audits concluded by 31 January 2019) received a clean audit opinion, **BUT, The Xhariep District Municipality** is one of the **only three Municipalities** in the Province (as at 31 January 2019) to have received an unqualified audit opinion, and we have renewed our

Chapter 2

strive towards an improved audit opinion in near future.

- According to the Auditor General Municipalities did not have reliable performance reports to empower communities to hold the political leadership accountable for the service delivery promised. The quality of reported performance information of municipalities is also poor as Xhariep District Municipality in the entire Free State Province did not have **material findings**.

Similar to most municipalities throughout South Africa, Xhariep District Municipality also faces challenges with regards to unemployment, poverty and inequality. In this regard the council continues to prioritize job creation especially through the Expanded Public Works Programme (EPWP) projects.

It is highly important to note that the district together with the Department of Rural Development and Land Reform have kick-started the **District Agri – Parks project** in the district, bringing skill and poverty relief to our communities.

Mission Statement

- To facilitate and support local municipalities, by promoting a healthy and conducive environment in our communities by ensuring that we deliver on our core functions.
- Promote an inclusive society through social and cultural events.
- Promote local economic development, by creating sustainable markets for local producers.
- Ensure a sound political and administrative leadership.
-

Key Policy Developments

This report shows that the municipality has implemented existing as well as a number of new policies in order to have maximum impact and success in its service delivery programs. The municipality is aware of the current backlog of delivery of services to the community and is utilizing all available resources to clear it. This will take time and during that time, it is my plea that the community remain patient with the council and to assist the council to reach the desired levels of service delivery.

Key Service Delivery Improvements

Roads and infrastructure Management Systems

The municipality has embarked on the **RRAMS** (Rural Roads Assets Management Systems) since the 2011/2012 financial year to date. This system will ensure that the municipality utilises the data collected and advocate for funding of some of the identified rural roads due for upgrade. The system is quite crucial to service delivery planning and tourism development. Through the collection of traffic data the process also provides relief to participants by providing a certain allowance for collecting data, these are called **enumerators**, this has been completed in Mohokare Local Municipality, to follow in due course will be both Kopanong Local Municipality and Letsemeng Local Municipality.

Public Participation

During the year, various methods and/or processes were used to increase public awareness on service availability engage public in decision making and improve accountability to communities, this spread even through the social media platforms Public documents were posted on the municipality's website and the public invited to make comments and provide inputs thereto.

Not also withstanding to mention the IDP and Budget public participation programme that was undertaken by the district, which we see as key towards planning and development.

Future Actions

Xhariep District Municipality is not an island and must ensure well-co-ordinated strategic relationship with other spheres of government and that is why the Integrated Development Plan must be aligned to other key planning and policy instruments for the national, provincial and district government levels. One of the key objectives of Integrated Development Planning (IDP) is to ensure alignment between National and provincial priorities, policies and strategies which include the following:

- Millennium Development Goals

Chapter 2

- National Development Goals (Vision 2030)

Agreements / Partnerships

The municipality does not have any twinning agreements with other towns currently in place however the matter has been raised and is currently an option which council strongly believes should be pursued to assist the municipality in fulfilling its constitutional mandate, this will spread to even having Memoranda of Understanding or Agreements with government departments and directly inputting agencies geared towards development

Conclusion – Final thoughts on the year

The achievements reflected in this annual report are a direct result of the combined efforts of the political leadership, administrative management and all municipal officials who work tirelessly to ensure that Xhariep Delivers on its mandate with the little resources to its disposal

In conclusion, I therefore call on Council, the administration and all the constituencies in the District to join me on this demanding, challenging, but a conquerable journey to make Xhariep District Municipality a better place for all citizens that reside here.

Sincerely,

(Signed by :)

**CLlr MJ Sehanka
Executive Mayor**

T 1.0.1

Chapter 2

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

We take this opportunity to present to you, the annual report for the financial year 2018-2019.

This report is an account of progress with regards to the 2018-2019 financial year and we therefore have the fiduciary duty to be responsible and accountable to our constituencies through our local municipalities and to our various government stakeholders on the mandate they gave us and conferred on us by the constitution.

The year under review the municipality experienced many various challenges, whereby we also saw public protests in Letsemeng and the labour strike in Kopanong Local Municipalities, I mention these because these challenges had a direct bearing in the operations of the Xhariep District Municipality, we had to source alternative ways to ensure that work continues in light of those various challenges.

I would like to thank the staff of the district for always availing themselves staying committed throughout the difficult challenges.

Nevertheless the Municipality Managed to make a number of improvements to service delivery by initiating mechanisms and initiatives to improve on the overall efficiency and effectiveness of service delivery monitoring and evaluation. Just to highlight a few as follows;

- Despite financial difficulties we managed to ensure salary payments of all workers, under immense difficult situations and the situation of salaries has stabilized as we managed to introduce strict measures and contingency plans
- A catch up plan to ensure that all third parties for employees are up to date as they were in great arrears
- Municipal creditors' book has significantly been reduced from what we started with as the new administration since August 2017.
- Managed to achieve an unqualified audit opinion, making Xhariep one of the only three municipalities in the Free State to have achieved an unqualified audit opinion out of the audits that were concluded by the 31st January 2019.
- Our performance management system being unqualified with no material findings

We will continue to pursue ensuring that we strive within the limited resources that are at our disposal as the **least** funded district municipality through the Equitable Shares Grant.

We will strongly focus on district service delivery, supporting and capacitating our local municipalities; we will have a stronger focus on creating a conducive environment for local economic development and Investment in the District.

We say to our partners in good governance, we will forge ahead by strengthening ties for service delivery. The Xhariep District is open for business. Let us continue to serve selflessly

(Signed by :)
Me.LY Moletsane
Municipal Manager

T 1.1.1

Chapter 2

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Population Details									
Age	2016-2017			2017-2018			2018-2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 -14	26 189	26 241	52 430	22 250	22 250	44 984	22 250	22 250	44 984
Age: 60 - 64	49 859	50 762	100 621	46 692	46 692	92 001	46 692	46 692	92 001
Age: 65+	3 699	5 976	9 676	5 658	5 658	9 273	5 658	5 658	9 273
Source: Statistics SA Community Survey 2016 T1.2.2									

INTRODUCTION TO BACKGROUND DATA

Out of 16 district functions, Xhariep district municipality is performing 3(18.75%) of these functions. Xhariep District is the smallest compared to the others within Free State Province with about 5.2% share of the total provincial population. The population of the District stands at 146, 259 with a negative growth rate of 1.07. Sixty (60%) of the population is in the working age cohort of 15-64 years.

T 1.2.1

Socio Economic Status				
Local Municipality		Number		Percentage (%)
Kopanong		19472		40.38
Letsemeng		16639		34.50
Mohokare		12110		25.11

T1.2.4

Chapter 2

Overview of Neighborhoods within Xhariep District Municipality'		
Settlement Type	Households	
Formal		
2016-2017	36942	
2017-2018	39528	
2018-2019	39528	
Traditional		
2016-2017	1683	
2017-2018	182	
2018-2019	182	
Informal settlements		
2016-2017	7715	
2017-2018	5446	
2018-2019	2744	
T1.2.6		

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Gariep Dam)	Supply of water to households and generation of electricity.
Diamonds(Jaggersfontein and Koffiefontein)	Job creation, Revenue enhancement, Economic development, human settlement.
Uranium (Edenburg)	Job creation, Revenue enhance, Economic development, human settlement
Land	Job creation through farming and settlement of communities
Sun (Radiation energy)	Job creation through erection of solar hubs
T1.2.7	

BACKGROUND DATA

Xhariep District forms the southern part of the Free State Province and is one of four district municipalities in the Free State. The municipality measures 34289 km sq. It is bordered by Tokologo Municipality in Lejweleputswa District to the north, Mangaung Metro and Mantsopa Municipality in Thabo Mofutsanyana District to the north-east. Other borders are with the Kingdom of Lesotho to the east, Ukhahlamba Municipality in Eastern Cape Province to the south, Pixley ka Seme Municipality in Northern Cape Province to the west and Frances Baard Municipality in Northern Cape Province to the north-west. Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrological the district is

Chapter 2

located between the Vaal River to the north, and Orange River to the south, with rivers within the district draining towards these rivers. Xhariep consists of three local municipal areas, with Letsemeng forming the north western section, Kopanong the middle section, Mohokare the south eastern section of the district

T1.2.8

1.3. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality is heavily dependent on grants with no revenue base, the government grants are from National and other spheres of government. This dependency puts a lot of pressure and strain on the municipality's ability to finance both operating and capital expenditures. The capital projects are mainly funded from own or internal funding.

The municipality's structure does not respond to the core functions of the municipality due to cash flow challenges. Revenue strategies and performance of powers and functions of the municipality as stipulated in the municipal Structures Act will assist in the long term sustainability of the municipality.

T1.4.1

Financial Overview - 2018/2019			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Revenue	65 268	65 581	68 966
Grants	64 762	64 762	67 741
Rental of facilities		490	427
Interest Earned		180	639
Other Income	507	149	159
Public contributions donations and other transfers			
Expenditure	65 268	65 098	62 015
Surplus / Deficit	0	483	6 950
<i>* Note: surplus/(defecit)_Deficit due to depreciation.</i>			T1.4.2

Chapter 2

Operating Ratios	
Detail	%
Employee Cost	75%
Repairs & Maintenance	0,003%
Finance Charges & Impairment	0,009%
T1.4.3	

COMMENT ON OPERATING RATIOS:

Employee related costs (inclusive of councilor's remuneration) constitutes 75% of the total expenditure and excessively high, repairs and maintenance (0.003%) significantly lower than the 8% NT guide while finance charges are curbed lower at 0.009%.

T1.4.3

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T1.5.1

1.4. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2017-2018

The Municipality received an unqualified opinion with matters of emphasis. The following are the issues that lead to the audit outcome mentioned above:

- Material adjustments in the Annual Financial Statements as well as the Annual Performance Report
- Non-compliance with regulations

T 1.6.1

Chapter 2

1.5. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalised the 4th quarter Report for previous financial year	
4	Submit draft 2018-2019 Annual Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
10	Municipalities receive and start to address the Auditor General's comments	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	February
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	March
T1.7.1		

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

A municipal council is made up of the Municipal councilors who are democratically elected by registered votes within the municipal control. The Speaker is the chairperson of the Municipal Council which he presides over both Ordinary and Special Council meeting and he is also responsible for the discipline of the Municipal Councilors.

The Mayoral Committee consists of Municipal Councilors appointed by the Executive Mayor to serve in the Mayoral Committee. The number of Municipal Councilors on the Mayoral Committee is the minimum number that is needed for efficient and effective government.

The Executive Committee chaired by the Executive Mayor is responsible for the executive functions of the municipality.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The current term of the Municipal Council was inaugurated on the 19 August 2016 and consists of 15 Councilors.

Cllr K Moeketsi who was serving in the Budget and Treasury Committee has recently been appointed as the Member of Mayoral Committee and he is now the Chairperson of Corporate Services Committee.

The Municipal Manager as the Accounting Officer and the three Section 56 Managers were appointed by the Municipal Council of Xhariep District Municipality. The Municipal Manager and the managers directly accountable to the Municipal Manager organize Administration in a manner that enables the Municipality to be responsive to the needs of the Community within its jurisdiction. The Municipal Manager is accountable for the overall performance of the Municipality and she is accountable to the Executive Mayor and Council.

T2.1.0

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998, Xhariep District Municipality has an established political component.

The main role of the political component is provided for in the Structures Act.

Section 80 of the Municipal Structures Act specifies procedures for establishing committees in Municipal council with an executive committee.

One of the functions of the portfolio committee is to process the report tabled before by the Departments before they could be forwarded to the Mayoral Committee and eventually to Council.

In terms of section 79 of the Structures Act, a Municipal Council has established Committees such, as MPAC, which is composed of three (3) Councilors necessary for the effective and efficient performance of its functions.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments after the Management has satisfied itself with the contents of the report it is then submitted to Council for noting. Subsequent to this process, the Annual report is submitted to Oversight Committee before the 31 March each year thereafter to Provincial Authorities.

The Internal Audit conducts audit throughout the year in terms of their audit plan and prepare Audit packs that are then submitted to Internal Audit Committees. After consideration of these reports the Audit Committee forwards its recommendations to Council for consideration.

T2.1.1

Chapter 2

POLITICAL STRUCTURE

MAYOR

Cllr M.J Sehanka

Exercises powers delegated to the Mayor by Council or the Executive Committee

SPEAKER

Cllr NS Mnqunguthu

Presides at Council meetings and exercises powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.

CHIEF WHIP

N/A

To ensure political mandates are executed

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Cllr KJ Sebeco: Chairperson of the Budget and Treasury Committee

Cllr K Moeketsi: Chairperson of the Corporate Services Committee

Cllr TD Mochechepa: Chairperson of Planning & Social Development

COMPOSITION OF COUNCIL AS AT 30 JUNE 2019

Political Party	Total	Directly elected	Seconded
African National Congress	10	5	5
Democratic party	4	1	3

Chapter 2

Economic Freedom Fighters	1	1	-
---------------------------	---	---	---

T2.1.1

COUNCILLORS

The Council structure consists of 15 Councilors, seven (7) Councilors are directly elected and eight (8) are Seconded from the three local Municipalities which are, Kopanong, Letsemeng and Mohokare local Municipality. The five full time Councilors includes the Speaker, the Executive Mayor and the three (3) Mayoral Committee members.

Three members of the Mayoral Committee are designated as Chairpersons of Section 80 Committees. The Corporate Services is composed of three (3) Councilors, Planning and Social Development Committee is composed of 3 Councillors, Budget and Treasury committee is composed of four (4) Councillors.

During the year under review (2) Councilors resigned from the Council, one was from Letsemeng local Municipality and the other one from Kopanong local municipality and were replaced.

The Council has established Municipal Public Accounts Committee (MPAC) and its three (3) members do not serve in any of the section 80 committee.

Composition of Section 80 Committees:

Corporate Services Committee	Planning and Social Development	Budget and Treasury Committee
a. Cllr K Moeketsi	a. Cllr TD Mochechepa	a. Cllr JK Sebeco
b. Cllr TV Nthapo	b. Cllr AJJ Van Rensburg	b. Cllr MJ Phaliso
c. Cllr RW Van Wyk	c. Cllr AN November	c. Cllr MG Ntwanambi
		d. Cllr TS Tseuoa

T2.1.2

Chapter 2

POLITICAL DECISION-TAKING

The Constitution gives both the legislative and executive powers of a Municipality to the Municipal Council. All Municipal Councilors are involved in taking decisions about how the Municipal Council is run, what services it should provide and how it should spend its money.

The Municipal Council is responsible for all the decisions of a Municipality but it may give specific functions to Committees as provided for in part 5; section 79 of the Structures Act. The Section 80 Committee sit as per schedule of Council meeting which is approved by Council to process the reports placed before them and make recommendations to the Mayoral Committee. The recommendation of the Section 80 may be changed by the Mayoral Committee or may be forwarded to the Council as they are. Then Council pronounces itself on the recommendations/ issues tabled before it. Where members share a different view on any matter under consideration, they vote on the matter, either by show of hands or through a secret ballot as stipulated in the standing rules and Orders. All decisions taken by Council are called resolutions which are implemented by the administration. In Xhariep District Municipality, these resolutions are taken to Departments through Execution list. Thereafter a Resolution register on resolutions implemented is developed to be presented in Council sitting.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures; also manage the administration of the institution.

The Director: Corporate Services administer the Department of Corporate Services and advice the Municipal Manager with issues relating to administration, human resources and information technology. The Chief Financial Officer administers Budget and treasury Office and advice the Municipal Manager on matters that relate to the finances of the Municipality. The Director: Planning and Social Development is responsible for the affairs of the Department of Planning and Social Development, advises and assists the Municipal Manager on all matters that relates to this department, i.e. planning, local economic development and municipal health services

T2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Mrs Lebohang Yvonne Moletsane

DIRECTOR: Corporate Services

Adv. Zenzile Qhena Majenge

Chief Financial Officer

Mr Pihi Vincent Litabe

Director: Planning & Social Development

Mr Mopedi Sam Mohale

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are mainly informal, making the system flexible to respond to changing circumstances. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The District is part of the Premiers' Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The District also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

T2.3.2

Chapter 2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district.

District Coordinating Forum: Forum consists of the Executive Mayor and 3 primary members of which is the Local Mayors.

Technical Support Committee

Forum consists of the District Municipal Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with service providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality is committed to governing its area of its jurisdiction and its citizens in accordance with the spirit of the Constitution of the Republic of South Africa. This requires the Municipality to undertake community consultation, participation and empowerment as central features. The review of the institution's current Integrated Development Plan included community participation through Stakeholder Engagements and public participation meetings. Through such measures, the communities are able to provide input on their priorities for the period under review. Some benefits include building and strengthening partnerships with various organisations from communities and broader civil society to establish a people's contract in ensuring that citizen participation and representative democracy are combined to promote people-centered and people-driven development and governance.

T 2.4.0

Chapter 2

2.3 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Xhariep District Municipality has a functional Communication Unit. The Communication Unit is a strategic component within the municipality that cut across all departments and units including the public. The Communication Unit also ensures that communication is well coordinated, effectively managed and responsive to the diverse information needs of the people. To fulfill this mammoth task, the communication unit has established the following mechanism, namely;

- a) District Communicators Forum
- b) Periodic update of the municipal website
- c) Quarterly newsletter
- d) Council notices

The council meetings will be opened to the public; this is to ensure that the public is informed and council businesses are at the public domain.

T2.4.1

Chapter 2

Public Meetings				
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	23 April 2018	2	13	41
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	25 April 2018	2	7	61
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	07 June 2018	1	7	29
				T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

As mentioned earlier some of the benefits include community being part of the decision-making process and, as result, minimizing community protests and civil unrests. The other benefit is that community will take ownership of development within their environment and have a sense of belonging.

T2.4.3.1

Chapter 3

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

Chapter 3

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

As the Head of Administration the Municipal Manager is responsible for the following tasks:

- The formation and development of an economical, effective, efficient and accountable administration.
- The management of the municipality's administration in accordance with legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan.
- The management and provision of services to the local communities in a sustainable and equitable manner.
- The appointment of staff subject to the Employment Equity Act, 1998.
- The management and effective utilisation and training of staff.
- The maintenance of discipline of staff.
- The promotion of sound labour relations and compliance with labour legislation.
- Advising the political structures and political office bearers of the municipality.
- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council.
- Facilitating participation by the local community in the affairs of the municipality.
- The implementation of national and provincial legislation.

T2.6.0

Chapter 3

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management is management process, through which municipality identifies, evaluate and control significant risks that can result in failure to attain strategic objectives. Accounting Officer enhanced risk management approach by establishing the Risk Management Committee on the 20th of November 2017, however the Chairperson resigned in September 2018, and the Committee was reestablished again on the 03rd of June 2019.

MFMA, section 62 (1) (c) (i) states that the Accounting Officer of a municipality is responsible for the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems off financial and risk management and internal control. A reviewed risk management policies were approved by council sitting dated the 8th August 2018. The following are the responsibilities of Risk Management:

1. Conducting risk assessment within the municipality
2. Advising and guiding the municipality in terms of Institutional risk matters
3. Developing a Risk Management Strategy and Implementation Plan.
4. Coordinating risk management activities.
5. Facilitating identification and assessment of risks
6. Recommending risk responses to management

Risk Management formulated the register as a framework that allows the Audit Committee and Management to have better overview of the municipality's major business risks and how management has sought to monitor and mitigate them. For all key risks, existing controls are identified and assessed as well as the ability, benefit and cost to improve them.

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Municipality has adopted Anti-Fraud and Corruption Strategy and established Municipal public Accounts Committee on the 18th of October 2017, to promote transparency, public accountability and ensure good governance in the municipality as in terms of Section 53 and 59 of the Local Government Municipal Systems Act, Act 32 of 2000. Committee consists of the following members:

1. Cllr. MJ Moitse-Chairperson
2. Cllr. MS Mogapi
3. Cllr IS Riddle

Chapter 3

Municipality's Internal Audit also plays a fundamental role in the review of the processes and adherence to process relating to segregation of duties, procurement process, efficiency of internal controls, and other measures to prevent fraud and corruption from occurring.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) function of the District is centralized under the Budget and Treasury Office, within the Supply Chain Management Unit. This was implemented with the view of strengthening the capacity and ability of the district to comply with the MFMA and National Treasury Regulations.

All these mechanisms and systems seeks to ensure that the SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The District has an approved Supply Chain Management Policy which is reviewed annually.

The municipality also has Standard for Infrastructure Procurement Delivery and Delivery Management which deals mainly with infrastructure related projects only as opposed to the Supply Chain Management Policy that deals specifically with goods and services.

T2.8.1

Chapter 3

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	No	
The previous annual report (2017-2018)	Yes	
The annual report (2018-2019) published/to be published	N/A	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018-2019) and resulting scorecards	Yes	
All service delivery agreements (2018-2019)	No	
All long-term borrowing contracts (2018-2019)	No	
All supply chain management contracts above a prescribed value (give value) for 2018-2019	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018-2019	No	
Contracts agreed in 2018-2019 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2018-2019	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2018-2019	No	
		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Recently the Communications Unit has taken to itself the initiative to collect all the information that needs to be sent to the IT Unit for the Website. The Communications Unit will vet the information before passing it to the IT Unit to be uploaded on the Municipal Website. The Communications Unit will communicate direct with the respective Departments to collect the information for the website.

The municipality is not in the position to place PC's for public to have access to the web based information, due to financial constraints

T2.10.1.1

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The district municipality started to perform the functions of Environmental Health with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Boarding emanating from the Boards' annual capacity assessment report.

Basic services being offered by the District Municipality is as per Health profession Act, 1974 (Act no. 56 of 1974) Regulations defining the scope of the profession of Environmental Health: Amendment: Water , Food control, Waste management, Health Surveillance of premises, Vector control, Surveillance and prevention of communicable diseases, Environmental pollution, Disposal of the dead and noise control.

T3.1.0

Chapter 3

Employees: Planning Services					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	4	4	0	0%
4 - 6	10	9	8	1	11.1%
7 - 9	3	2	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	18	15	13	1	6.6%
<i>This Explanation resulted to the Percentage because out of 2 employees who were Senior Data Capturers, The IDP Data Capturer was relocated to Municipal Manager's Office</i> <i>Please note that managers on level 0-3 were 5 in the previous financial year however the IDP Unit was moved from planning department to Municipal Manager's Office. Hence you will see 4 managers but vacancy is 0, this includes 7-9 level of employees.</i> T3.10.4					

Chapter 3

Financial Performance 2018-2019: Planning Services					
R'000					
Details	2017-2018	2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13 997	16 409	16 355	15 101	1 254
Expenditure:					
Employees	10 565	11 109	10 100	10 685	(585)
Repairs and Maintenance					
Other	3 481	5 595	6 309	3 102	3 207
Total Operational Expenditure	14 046	16 409	16 409	13 787	2 622
Net Operational Expenditure	-49	0	0	1 314	(1 314)
T3.10.5					

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED strategy was reviewed and adopted by Council in March 2016. The aim of the strategy is to reflect the most recent local and regional development dynamics and appropriately packaged them for investment. Relevant stakeholders were given an opportunity to be part of the review and make inputs on the strategy. The projects in the strategy have not yet been implemented because of financial constraints of the municipality and lack of land where development needs to take place.

The District is in the process of reviewing the strategy for 2019-2020 assisted by DESTEA and CoGTA. There was a District workshop convened by DESTEA on the 16th of July 2019, the draft strategy will be tabled in Council by end August 2019. Upon the adoption by Council, during the consultation process on the strategy the District will formally assist the Local municipalities in establishing their LED & Tourism forums, finally establishing the District LED & Tourism Forum by the end of September 2019

T3.11.1

COMMENT ON LOCAL JOB OPPORTUNITIES

The Xhariep District Agri Park Implementation process has unfolded and the department of Rural Development and Land Reform is continuing with assisting with the funding aspect of the process. To date two service providers have been appointed for the construction projects in both Springfontein (Construction of a warehouse and bulk services) and Zastron (Farmers Production Support Unit).

T3.11.4

Chapter 3

Jobs Created during 2018-2019 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2016-2017	5	0	5	This is the Shoe production project that the District established and supported.
2017-2018	9	0	9	This is the food security project that the District established and supported.
2018-2019	20	0	20	Xhariep District Agri Park, portion of the 1 st phase in Springfontein – Construction of the warehouse and bulk services
2018-2019	9	0	9	Xhariep District Agri Park, portion of the 1 st phase in Zastron (Farmers Production Support Unit)
T3.11.5				

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2016-2017	3	185
2017-2018	3	202
2018-2019	3	136
* - Extended Public Works Programme	T3.11.6	

Chapter 3

Employees: Local Economic Development Services					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0		0	0%
Total	3	3	3	0	0%
T3.11.8					

Chapter 3

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

A key role responsibility in rendering an effective Municipal Health Services is the monitoring of food and government premises in order to ensure compliance with R926, Foodstuffs, Cosmetics and Disinfectants act 1972 (Act no. 54 of 1972) and the National health act, 2003 (Act no 63 of 2003).

District Environmental Health Practitioners conduct health inspections of premises and issue out compliance notices to food premises which are found to be non-compliant with the set legislation. A certificate of acceptability (COA) is issued in accordance with the legislation to compliant premises. Certificate of health are issued to compliant ECD's and old age homes. Operational licenses are the competency of the local municipality and other stakeholders.

Surveillance of premises is also conducted to insure vector control and to monitor health and hygiene standards of premises.

The following activities are measured: These ensure that there is constant monitoring of compliance.

No. of COA's issued

No. of non-compliance notices issued

No. of health inspections conducted.

Bimonthly raids are conducted with the assistance of SAPS to curb non -compliance by shop owners and seize expired foods. Monthly monitoring of all premises is conducted by the Environmental Health Practitioners.

Health Awareness

The following activities were conducted in order to raise awareness on food safety, the plight of Listeria and other communicable;

Public door to door campaigns were conducted in Kopanong LM, Mohokare LM and Letsemeng LM. The key focus groups were the community, the immune compromised, food handlers and food establishments. The total numbers reached for the campaigns were 09.

T3.64.1

Chapter 3

3.67 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and –rehabilitation

Top Four Service Delivery Priorities:

1. Community Safety
2. Preparedness
3. Recovery and Rehabilitation
4. Educational Program

The DM Unit main role is to ensure a safe and unwavering environment to the Xhariep district community. Through proper planning the Unit will be able to build resilient communities through the Disaster Management Activities within the district Municipality. A budget for the Disaster Management Contribution has been set aside for affected families. The DM Unit played a vital role by conducting educational programme both at Secondary and Primary Schools in the district municipality. We are also in partnership with Working on Fire (WoF) to conduct Fire Awareness at local level with the assistance of local Councillors

T3.67.1

Chapter 3

Employees: Disaster Management					
Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	1	1	50%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	3	3	1	33.3%
					T3.67.4

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services.

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Municipality is currently executing three service delivery related matters, i.e. local economic development, Disaster Management and Municipal Health Services. The Local Economic Development Division that is located within the Department of Planning and Social Development has made strides in providing financial assistance and providing training to Small Micro and Medium Enterprises. The Municipality has assisted interested individuals or group of people to establish their own businesses, in particular cooperatives.

The Environmental Health Services Division that is also located within the Department of Planning and Social Development is monitoring the quality of drinking water and final waste water effluent from different local municipalities that fall within its jurisdiction on frequent intervals as required by applicable legislations and policies. Furthermore this division insures compliance of food premises and local municipalities' landfill sites.

The Disaster Management Division is located in the Office of the Municipal Manager. The division is responsible to ensure a safe and unwavering environment to the Xhariep district community.

T3.69.1

Chapter 3

Employees: The Executive and Council					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	7	6	1	14.2%
4 - 6	3	4	4	0	0%
7 - 9	3	4	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	12	15	14	1	6.6%
<i>The Differences in numbers is caused by the relocation of IDP Unit from Planning, Appointment of the YDO and the additional appointment of a Driver to the Executive Mayor</i> T3.69.4					

Chapter 3

Financial Performance 2018-2019: The Executive and Council					
R'000					
Details	2017-2018	2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5 854	13 106	13 106	17 466	(4 360)
Expenditure:					
Employees	4 496	4 317	15 222	11 136	4 086
Repairs and Maintenance					
Other	2 378	2 149	1 098	5 624	(1,094)
Total Operational Expenditure	6 874	6 466	16 320	17 760	(1 440)
Net Operational Expenditure	(1 020)	0	(3 214)	(294)	(3 508)
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.69.5

Employees: Financial Services					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	3	2	1	33.33%
4 - 6	6	6	5	1	16%
7 - 9	5	5	5	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	18	17	16	2	11.7%
					T3.70.4

Chapter 3

Financial Performance 2018-2019: Financial Services					
R'000					
Details	2017-2018	2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12 301	15 725	14 661	15 690	(1 029)
Expenditure:					
Employees	8 313	9 954	10 004	8 112	1 892
Repairs and Maintenance					
Other	3 178	5 796	3 134	3 594	(460)
Total Operational Expenditure	11 491	15 750	13 138	11 806	1 332
Net Operational Expenditure	810	0	1 612	3 884	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.70.5

Chapter 3

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The management set itself priorities to overhaul the services the institution provides to its internal clients, the key three amongst them were;

Purify leave management

Provide accurate inputs- information to payroll

Recruit people with required competencies

So far this division has made major strides in ensuring that leave of employees is managed in accordance with Municipal Human Resources Policy Manual. Every week there is reconciliation of attendance registers, VIP register with completed leave forms; and follow-ups on employees who did not sign registers or completed leave forms. The principle of no work no pay is applied on employees who are found not to have followed proper procedure in absenting themselves from work.

The official providing information to employees in payroll on remuneration and benefits of employees work s closely with the payroll division in order to ensure that accurate information is forwarded to division before processing the salaries of councillors and employees. The inputs are compiled, checked, approved by different individuals in order to ensure that correct information is provided to payroll. Such information is forwarded to payroll on or before the 15th of each month in order to give officials in payroll an ample time to process the remuneration and benefits of both councillors and officials

The Human Resources Division advertises all vacant positions as required by the Human Resources Policy Manual and set competencies that are needed from the interested individuals. It is important to highlight that the Municipality appoints only incumbents who meets minimum competency requirements as placed on the advertisement.

T3.71.1

Chapter 3

Employees: Human Resource Services					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0%
4 - 6	5	5	5	5	0%
7 - 9	1	1	1	1	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	7	0%
T3.71.4					

Financial Performance 2018-2019: Human Resource Services					
R'000					
Details	2017-2018	2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17 945	19 777	20 974	20 710	(264)
Expenditure:					
Employees	17 014	16 094	15 702	18 744	(3 042)
Repairs and Maintenance	93	93		213	76

Chapter 3

			289		
Other	1 964	2 935	1 489	2 413	(924)
Total Operational Expenditure	19 071	19 839	17 580	18 744	(1 164)
Net Operational Expenditure	(1 126)		1 746	1 966	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.71.5

Chapter 3

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The main objective of the IT Unit is to

1. Ensure connectivity at all times. This was achieved through enhancement of the bandwidth from 4mbps to 10mbps and the connectivity is much stronger.
2. Ensure stable Network infrastructure. This is still a challenge as there are offices with network points that are not functional. A temporary solution was implemented, where some offices are connected via Wi-Fi to the internet and in some case people are connected via multiport switched from one office to the other. Part of this will be address this financial year as there is a budget even though it is inadequate.
3. Ensure Servers and server room is fully functional. The Unit Installed a new server for the mSCOA project to ensure that the new system runs smoothly. The only issue was the ventilation system that is not up to scratch and the fire extinguisher system in case of disaster.
4. Ensure information systems are fully operational. This is ensured by creating sound IT environment. There is a challenge with system (mSCOA) where sometimes due to none payment of the service providers the municipality does not get the adequate support.
5. Ensure smooth Telecommunications. The telephone system is working properly, only challenge is that the municipality had to acquire a different line for incoming and outgoing calls due to contractual disputes with the previous service provider. Therefore the municipality is using a different and new number that a lot of external stakeholders don't know.
6. Ensure printing facility is available. The only challenge here was delay or none-servicing of the machines.
7. Ensure Municipal Website is fully functional. The website is working perfectly. The only challenge is that of the Departments and Units are not submitting necessary documents to the Communications Unit, some documents are not submitted on time.

T3.72.1

Chapter 3

Employees: ICT Services					
Job Level	2017-2018	2018-2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
T3.72.4					

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year

TOP LAYER PERFORMANCE INFORMATION

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	MUNICIPAL MANAGER											
TL 1	Accelerate institution transformation	MT&ID	Recruitment and selection	Filling of the vacancy of the Chief Financial Officer on or before 30 June 2019	1	1	0	-	-	1	0	(1)
TL2	Accelerate institution transformation	MT&ID	Employment contracts	Entering into performance agreements with the employer within 30 days of date of appointment/60 days for new	3	3	0	-	-	4	3	(1)

Chapter 3

				appointees								
TL3	Improve institutional performance	MT&ID	Performance Management	Assessment of the Performance of Senior Management on a quarterly basis	4	0	(4)	No formal assessments were conducted on the performance of Senior Management due to non-appointment of the Evaluation Committee by the municipality	Council to resolve on the matter as a submission was made previously to Council requesting the appointment of the Evaluation Committee for evaluating the performance of Senior Management	4	0	(4)
TL4	Improve institutional performance	MT&ID	Performance Management	No. of performance analysis reports to Management on a quarterly basis	4	4	0	-	-	New KPI	-	-
TL5	Improve institutional performance	GGPP	Overseeing the functionality of Audit Committee	Quarterly Audit Committee meetings	4	3	(1)	Audit Committee could not sit in the third quarter due to the Kopanong	Audit Committee will sit as planned in the new financial year	New KPI	-	-

Chapter 3

								Local Municipality workers strike that affected the operations of the municipality				
TL6	Improve Intergovernmental Relations	GGPP	Providing support to Local Municipalities through Technical IGR engagements	No. of Technical IGR meetings held	4	1	(3)	The Technical IGR did not sit as planned during the 2018-2019 financial year due to unavailability of members that was caused by labour strikes in Letsemeng and Kopanong local municipalities	The Municipal Manager to resuscitate the Technical IGR in the new financial year	4	3	(1)

Chapter 3

TL7	Improve institutional performance	GGPP	Overseeing the functionality of the Risk Management Committee	Quarterly Risk Management Committee meetings	4	2	(2)	This was due to the vacancy of the Chairperson of the Risk Management Committee for the half of the financial year	The vacancy of the Chairperson of the Risk Management Committee is now filled	New KPI	-	-
TL8	Improve institutional performance	GG&PP	Improved audit outcomes	No. of reports on the updated AGSA Audit Action Plan	2	2	0	-	-	2	2	0
TL9	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Ensure compliance with Section 32 of the MFMA	Monthly reports on irregular, unauthorised, fruitless and wasteful expenditure	12	12	0	-	-	12	12	0

Chapter 3

TL10	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Effective Management of discipline	Establishment of the Financial Misconduct Committee on or before 30-Sep-2018	1	1	0	-	-	New KPI	-	-
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	CHIEF FINANCIAL OFFICER											
TL 11	To achieve a clean administration for 2018 and beyond	MFV&M	Annual Financial Statements	Compilation of the AFS on or before 31 Aug 2018 and submission to AGSA	1	1	0	-	-	1	1	0
TL12	To achieve a clean administration for 2018 and	MFV&M	Oversee the review and implementation of the Audit	Updated Action Plan	2	2	0	-	-	2	2	0

Chapter 3

	beyond		Action Plan									
TL13	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Review of journals prior capturing on the financial system(pastel)	Monthly review of journal entries	12	12	0	-	-	12	12	0
TL14	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Ensure that the FMG conditional operational grant is fully utilised by 30 June 2019	% of FMG conditional operational grant spent on a quarterly basis	100%	100%	0	-	-	100%	100%	0
TL15	Improve the accuracy and integration of various	MFV&M	Oversee the implementation of the SCM	Quarterly reports on the deviations of the Supply Chain	4	4	0	-	-	New KPI	-	-

Chapter 3

	components of the Financial System to enable proper financial planning and reporting		Policy	Management Policy								
TL16	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Compilation of MFMA Sec 71 reports to Provincial and National Treasury	Monthly MFMA Sec 71 reports	12	12	0	-	-	New KPI	-	-
TL17	Improve the accuracy and integration of various components of the Financial System to enable proper financial	MFV&M	Compilation of MFMA Sec 52(d) reports to Provincial and National Treasury	Quarterly Sec 52(d) (MFMA) reports	4	4	0	-	-	New KPI	-	-

Chapter 3

	planning and reporting											
TL18	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Compilation of SCM reports to Provincial and National Treasury	SCM quarterly reports	4	4	0	-	-	New KPI	-	-
TL19	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Monitor the implementation of the Demand Management Plan	Quarterly reports on the implementation of the Demand Management Plan	4	4	0	-	-	New KPI	-	-

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	DIRECTOR: CORPORATE SERVICES											
TL20	Accelerate institution transformation	MT&ID	Oversee the compilation and the submission of the WSP	WSP approved by the LLF and submitted to LGSETA in April 2019	1	1	0	-	-	1	1	0
TL21	Accelerate institution transformation	MT&ID	Employment Equity	Monitor and report on the implementation of the Employment Equity Plan	1	1	0	-	-	1	1	0
TL22	Accelerate institution transformation	MT&ID	Work Skills Plan	No of trainings planned for the 2018/2019 financial year	4	4	0	-	-	5	0	(5)
TL23	Improve institutional performance	GG&PP	Planning of the sitting of Council and Council	Develop schedule for the sitting of Council and Council	1	1	0	-	-	1	1	0

Chapter 3

			Committees	Committees and table before Council								
TL24	Improve institutional performance	GG&PP	Ensure that Council sits as regulated by the MSA(Act 32 of 2000)	No. of Council meetings	4	3	(1)	Council had three Ordinary Council meetings for the year under review, the rest of the meetings were Special Council meetings	Ordinary Council meetings to sit as regulated by the local government: Municipal Structures Act	4	5	1
TL25	Improve institutional performance	GG&PP	Implementation of Council Resolutions	No. of reports to Council on the implementation of Council Resolutions	4	2	(2)	Resolution reports on the implementation of Council resolutions could not be tabled as planned due to the non-sitting of Ordinary Council	Ordinary Council meetings to take place as planned in the new financial year	4	4	0

Chapter 3

								meetings. Council had a lot of Special Council sittings for the year under review.				
TL26	Accelerate institution transformation	MT&ID	Ensure Functionality of the Local Labour Forum	No. of Local Labour Forum meetings	6	2	(4)	Though the target for the number of meetings was reviewed; the LLF still could not sit as planned for the 2018-2019 financial year	KPI to be reviewed	12	4	(8)
TL27	Accelerate institution transformation	MT&ID	Employee Wellness	No of Employee Wellness programmes planned	4	4	0	-	-	New KPI	-	-

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	DIRECTOR: PLANNING AND SOCIAL DEVELOPMENT											
TL28	Facilitate provision of water and sanitation services to all residents of Xhariep	BSD	Maintaining and improving the standard of water quality	Quarterly water quality reports on compliance to SANS 241	4	4	0	-	-	4	2	(2)
TL29	Improved employment opportunities	LED	Job Creation	No. of jobs opportunities created through the EPWP	200	136	(64)	With the political instability in Letsemeng and the long served strike of Kopanong Local Municipality; operations were hampered hence the targeted	During strikes the municipality will use EPWP Recruitment guidelines to directly appoint beneficiaries. The municipality will execute the implementation of EPWP as planned in the	190	202	12

Chapter 3

								number of job opportunities could not be met.	new financial year			
TL30	Responsive economic infrastructure and networks	LED	Ensure participation of all local municipal managers towards the implementation of LED	No of LED Forums	4	3	(1)	One LED forum could not sit due to the instability in Letsemeng subsequently followed by the instability in Kopanong local municipalities	During strikes where forums needs to take place, the exercise will be carried forward to the next quarter in consultation with the affected municipality in writing, as it would be beyond our control and the safety of the employees is of key priority.	4	4	0
TL31	Create enabling environment of investment	LED	Lobbying of external stakeholders to invest in Xhariep	No. of stakeholder engagement meetings	2	4	2	-	-	2	1	(1)

Chapter 3

TL32	Full compliance with environmental legislation	BSD	Oversee Improvement of EH Audit from the National Department of Health	No. of reports on the updated National Department of Health Audit Action Plan	3	3	0	-	-	3	1	(2)
TL33	Provide disaster management, Fire and Rescue Services to the residents of Xhariep	BSD	Support the implementation of the Disaster Management Plan	Attending disaster advisory forums, educational and awareness campaigns	4	3	(1)	One disaster advisory forum could not sit due to the instability in Letsemeng subsequently followed by the instability in Kopanong local municipalities	During strikes where forums needs to take place, the exercise will be carried forward to the next quarter in consultation with the affected municipality in writing, as it would be beyond our control and the safety of the employees is of key priority.	4	4	0

Chapter 3

					2	2	0	-	-	2	2	0
--	--	--	--	--	---	---	---	---	---	---	---	---

DEPARTMENTAL PERFORMANCE

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	MUNICIPAL MANAGER											
D1	Improve institutional performance	GG&PP	Implementation of anti-fraud and anti-corruption	No. of workshops planned to create awareness amongst	1	1	0	-	-	1	1	0

Chapter 3

			initiatives	Councillors and Staff								
D2	Improve institutional performance	GG&PP	Risk Management	Development of the Risk Management Register before 30 July 2018	1	1	0	-	-	New KPI	-	-
D3	Improve institutional performance	GG&PP	Risk Assessment	No. of quarterly risk assessment reports prepared	4	4	0	-	-	New KPI	-	-
D4	Improve institutional performance	GG&PP	Improved audit outcomes	Reduction of audit findings by 80% in the 2018/ 2019 financial year	80%	(30%)	50%	1. This is due to non-investigation of the UIF 2. Material adjustments on the AFS	1. MPAC to investigate UIF 2. The municipality appointed consultants to assist in compiling the AFS 2018-2019	75%	37%	(38%)
D5	Improve institutional performance	GG&PP	Functional Internal Audit Unit (MFMA 62(1))	No. of quarterly reports prepared for Audit Committee	4	3	(1)	Audit Committee could not sit in the third quarter due to the Kopanong	Audit Committee will sit as planned in the new financial year	4	4	0

Chapter 3

								Local Municipality workers strike that affected the operations of the municipality hence the number of reports				
D6	Improve institutional performance	GG&PP	Development of the Risk based audit plan	Risk based audit plan approved by Audit Committee by 31 August 2019	1	1	0	-	-	1	1	0
D7	Improve institutional performance	GG&PP	Compilation of the draft Annual Report	Draft Annual Report approved by Council on or before 31 January 2019	1	1	0	-	-	1	1	0
D8	Improve institutional performance	GG&PP	Compilation of the Oversight Report on Annual Report (MFMA 129(1) and MSA 46(2)	Oversight Report adopted by Council on or before 31 March 2019	1	1	0	-	-	1	1	0

Chapter 3

D9	Improve institutional performance	GG&PP	Mid- Year review of the performance of the municipality (MFMA S72)	Mid-year report submissions (Mayor, Provincial and National Treasury) by 25 January 2019	1	1	0	-	-	1	1	0
D10	Improve public participation	GG&PP	Develop IDP / Budget (Time schedule of key deadlines) /Process Plan (MSA 28 / MFMA 21)	Approved IDP Framework and Process Plan on or before 31 Aug 2018	1	1	0	-	-	1	1	0
D11	Improve public participation	GG&PP	IDP and Budget Public Participation meetings	No. of meetings held before the approval of the IDP and Budget	3	3	0	-	-	3	3	0
D12	Improve public participation	GG&PP	Compile final IDP (MSA 34)	Final IDP approved by Council on or before 30 June 2019	1	1	0	-	-	1	1	0
D13	Provide sustainable Land Use and	SER	Rural Development	Approval of the Rural Development Plan on or before 30	1	1	0	-	-	New KPI	-	-

Chapter 3

	Development			June 2019								
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	FINANCIAL SERVICES											
D14	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Production of annual Audit file	No. of Audit files produced by mid-August 2018	1	1	0	-	-	1	1	0
D15	Improve the accuracy and integration of various components of the Financial System to	MFV&M	Closing of all municipal financial accounts at the end of each month in terms of sec 65 of the	No. of monthly reports	12	12	0	-	-	12	12	0

Chapter 3

	enable proper financial planning and reporting		MFMA									
D16	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	No of creditors reconciliations done monthly (30 days)	No. of creditors reconciliation reports submitted	12	12	0	-	-	12	12	0
D17	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Financial Viability: Cost coverage (Reg 796)	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure (SA8)	>1	0.41%	(0.59)	The municipality does not have enough cash to fund its operational functions. It does not generate revenue, it depends on grants	More funding is needed	>1	0.0033	(0.9967)

Chapter 3

D18	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Financial Viability: Debt coverage (Reg 796)	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year) (SA8)	>1	0.03%	(0.97)	Insufficient funds to cover debts. The municipality does not generate own revenue, it depends on grants.	More funding is needed	>1	0.2802	(0.7198)
D19	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Monthly notification of awards over R 100 000	List of awards	12	12	0	-	-	12	12	0
D20	Improve the accuracy and integration of various components	MFV&M	Effective management of payroll by providing the section 66	Monthly reports to management in terms of section 66 of the MFMA	12	12	0	-	-	12	12	0

Chapter 3

	of the Financial System to enable proper financial planning and reporting		payroll report on a monthly basis									
D21	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and reporting	MFV&M	Ensure the submission of IRP5's	IRP5's submitted not later than 30 May 2019 to SARS	1	1	0	-	-	1	1	0
D22	Improve the accuracy and integration of various components of the Financial System to enable proper financial planning and	MFV&M	Monthly salary reconciliations	No. of reconciliations done	12	12	0	-	-	12	12	0

Chapter 3

	reporting											
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	DIRECTORATE: CORPORATE SERVICES											
D23	Improved institutional performance	GG&PP	Draw quarterly resolution execution report for all directorates	No. of reports	4	4	0	-	-	4	4	0
D24	Improved institutional performance	GG&PP	Monitoring Council resolutions to ensure implementation	Resolution register submitted to Council on a quarterly basis	4	2	(2)	Resolution reports on the implementation of Council resolutions could not be tabled as planned to Council due to the non-sitting of Ordinary Council meetings. Council had a lot of Special Council sittings for the year	Ordinary Council meetings to take place as planned in the new financial year	4	3	(1)

Chapter 3

								under review.				
D25	Accelerate institution transformation	MT&ID	Employee reward system developed	Lower level employees entering into performance agreements with the employer as at 01 July 2018	1	0	(1)	EPAS could not be implemented due to gaps identified in existing EPAS Policy	Review of the EPAS Policy and submission to Council for approval	1	0	(1)
D26	Improved institutional performance	GG&PP	Public Participation Plan in place	Review the public participation Plan/Strategy on or before 30 June 2019	1	0	(1)	Public Participation Plan/Strategy reviewed by COGTA and Corporate Services. Due for submission to Council for approval	Public Participation Strategy will be tabled in Council for approval in the new financial year	New KPI	-	-
D27	Accelerate institution transformation	MT&ID	Development of the Works Skills Plan	WSP approved by the LLF and submitted to the LGSETA on or before 30 April 2019	1	1	0	-	-	1	1	0

Chapter 3

D28	Accelerate institution transformation	MT&ID	Implementation of the Employment Equity Plan	% of employees from the designated groups	95%	94%	(1%)	The Municipality does not receive a pool of applicants from other races compared to African during recruitment process.	Revision of the Employment Equity Plan targets	95%	93%	(2%)
D29	Accelerate institution transformation	MT&ID	Occupational Health and Safety	Progress reports on the implementation of the Occupational Health and Safety Action Plan	2	1	(1)	The municipality has not yet implemented all issues raised in the contravention notice and improvement plan hence the number of reports	The municipality to address all issues raised in the contravention notice and improvement plan when the financial position of the municipality improves	4	0	(4)
D30	Accelerate institution transformation	MT&ID	Employee Wellness	Development of the employee wellness Calendar	1	1	0	-	-	New KPI	-	-

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE	
PLANNING AND SOCIAL DEVELOPMENT												
D31	Improved employment opportunities	LED	Implementation of the Expanded Public Works Programme(EP WP)	No. of quarterly reports on the EPWP progress, grant, staff and wages paid submitted to the MM/ Council	4	4	0	-	-	12	12	0
D32	Improved employment opportunities	LED	Report on the implementation of the EPWP	No. of EPWP steering committee meetings held quarterly	4	4	0	-	-	4	4	0
D33	Improved employment opportunities	LED	Expenditure of the EPWP Grant	100% Expenditure by end of June 2019	100%	100%	0	-	-	100%	100%	0
D34	Sustainable tourism destinations	LED	Making tourism awareness to schools and communities	No. of tourism awareness campaigns conducted quarterly	4	2	(2)	2 tourism awareness campaigns could not be conducted due to the instability in Letsemeng	During strikes where awareness needs to take place, the exercise will be carried forward to the	4	4	0

Chapter 3

								subsequently followed by the instability in Kopanong local municipalities	next quarter in consultation with the affected municipality in writing, as it would be beyond our control and the safety of the employees is of key priority.			
D35	Provide environmental health services to the residents of Xhariep	BSD	Environmental Health services	No. of persons attending Health Education programmes/projects	500	1 381	881	-	-	900	1285	385
D36	Facilitate provision of water and sanitation services to all residents of Xhariep	BSD	Water quality monitoring	No. of quarterly water quality reports submitted to Management	4	4	0	-	-	4	2	(2)
D37	Facilitate provision of	BSD	Water quality monitoring	No. of water quality samples collected	Mohokare 66	63	(3)	Drinking water samples could	The municipality to	72	81	9

Chapter 3

	water and sanitation services to all residents of Xhariep			per local municipality	Letsemen g 98	71	(27)	not be collected in quarter 3 and 4. The contract of the service provided ended in January 2019 and a new service provider has not been appointed since then to date. The Albert Nzula District hospital was assisting in collecting some of the water samples from February to June 2019.	appoint a service provider in the new financial year	108	108	0
					Kopanong 196	174	(22)			216	216	0
D38	Facilitate provision of water and sanitation services to all residents of Xhariep	BSD	Improve service delivery to communities	No. of quarterly sanitation quality reports submitted to Management	3	1	(2)	Waste water samples could not be collected in quarter 3 and 4. Hence the number of sanitation	The municipality to appoint a service provider in the new financial year	4	2	(2)

Chapter 3

								reports. The contract of the service provider ended in January 2019 and a new service provider has not been appointed since then to date				
D39	Provide environmental health services to the residents of Xhariep	BSD	Improve service delivery to communities	No. of quarterly waste water samples taken per local municipality	Mohokare 9	6	(3)	Waste water samples could not be collected in quarter 3 and 4. The contract of the service provider ended in January 2019 and a new service provider has not been appointed since then to date	The municipality to appoint a service provider in the new financial year	12	11	(1)
					Kopanong 6	2	(4)			4	8	4
					Letsemen g 3	2	(1)			4	3	(1)

Chapter 3

D40	Provide environmental health services to the residents of Xhariep	BSD	Environmental Health services	No. of Environmental Health awareness conducted	5	10	5	-	-	4	4	0
D41	Provide disaster management, Fire and Rescue Services to the residents of Xhariep	BSD	Disaster Management	No. of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	3	(1)	One disaster advisory forum could not sit due to the instability in Letsemeng subsequently followed by the instability in Kopanong local municipalities	During strikes where forums needs to take place, the exercise will be carried forward to the next quarter in consultation with the affected municipality in writing, as it would be beyond our control and the safety of the employees is of key priority.	4	4	0

Chapter 3

D42	Provide disaster management, Fire and Rescue Services to the residents of Xhariep	BSD	Disaster Management	No. of disaster management progress reports submitted to Management	4	3	(1)	One disaster advisory forum could not sit due to the instability in Letsemeng subsequently followed by the instability in Kopanong local municipalities hence the number of reports	During strikes where forums needs to take place, the exercise will be carried forward to the next quarter in consultation with the affected municipality in writing, as it would be beyond our control and the safety of the employees is of key priority.	4	4	0
D43	Provide disaster management, Fire and Rescue Services to the residents of Xhariep	BSD	Disaster Management	No. of Disaster Management awareness sessions held in the District	2	2	0	-	-	2	2	0

Chapter 3

The following abbreviations are used in the service delivery targets and performance indicators:

KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
GGPP	-	Good Governance and Public Participation
MFVM	-	Municipal Financial Viability and Management
MTID	-	Municipal Transformation and Institutional Development
LED	-	Local Economic Development
BSD	-	Basic Service Delivery
SER	-	Spatial and Environmental Rationale
MFMA	-	Municipal Finance Management Act 56 of 2003
MSA	-	Municipal Systems Act 32 of 2000
EEA	-	Employment Equity Act 55 of 1998
SDA	-	Skills Development Act 97 of 1998
MPPR	-	Local Government: Municipal Planning and Performance Management Regulations, 2001
MPR	-	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: 2018-2019			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	2	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Managers: Levels 0-3 (excluding Finance Posts)	15	1	6.6%
Senior management: Levels 0-3 (Finance posts)	3	1	33.3
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	0	0%
Highly skilled supervision: levels 9-12 (Finance posts)	10	1	10%
Total	67	3	4.4%
T4.1.2			

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2016/2017	11	9	1.22%
2017/2018	4	3	0.03%
2018/2019	5	6	9.7%
T4.1.3			

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0
T4.3.1					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	10	0	3	4	2,5	40 379 46
Skilled (Levels 3-5)	169	0	15	16	10,5	332 063 53
Highly skilled production (levels 6-8)	359	0	24	27	13	480 139 41
Highly skilled supervision (levels 9-12)	282	0	18	22	12,8	289 725 37
Senior management (Levels 13-15)	95	0	7	8	11,8	29 379
MM and S57						
Total	915	0	67	77	50.6	1 185 533 52

T4.3.2

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
No cases of suspensions were reported in the 2018-2019 financial year due to good employer and employee relations				

T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
No financial misconduct cases were reported in the 2018-2019 financial year.			

T4.3.6

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2018-2019	Number of skilled employees required and actual as at 30 June 2018-2019											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2017-2018	Actual: End of 2018-2019	Target	Actual: End of 2017-2018	Actual: End of 2018-2019	Target	Actual: End of 2017-2018	Actual: End of 2018-2019	Target	Actual: End of 2017-2018	Actual: End of 2018-2019	Target
MM and s57	Female		1	0	0	0	0	0	0	0	0	0	0	0
	Male		3	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female		4	0	0	0	0	0	0	0	0	0	0	0
	Male		11	0	0	0	0	0	0	0	0	0	0	0
Technicians and associate professionals*	Female		5	0	0	0	0	0	0	0	0	0	0	0
	Male		11	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female		18	0	0	0	0	0	0	0	0	0	0	0
	Male		9	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female		34	0	0	0	0	0	0	0	0	0	0	0
	Male		28	0	0	0	0	0	0	0	0	0	0	0
Total			62	0	0	0	0	0	0	0	0	0	0	0

*Registered with professional Associate Body e.g. CA (SA)

T4.5.1

Chapter 5

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	15	0	15	10	0	10
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	3	3	3
Any other financial officials	12	0	12	10	0	10
Supply Chain Management Officials	3	0	3	2	0	2
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	2	0	2	1	0	1
TOTAL	16	0	16	16	16	16
T4.5.2						

Chapter 5

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2018-2019							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0
Councillors	Female	4	0	0	0	0	0	0	0	0
	Male	11	0	0	0	0	0	0	0	0
Managers	Female	5	0	0	0	0	0	0	0	0
	Male	11	0	0	0	0	0	0	0	0
Professionals	Female	18	0	0	0	0	0	0	0	0
	Male	9	0	0	0	0	0	0	0	0
Clerks	Female	9	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0	0
Elementary	Female	2	0	0	0	0	0	0	0	0

Chapter 5

occupations	Male	8	0	0	0	0	0	0	0	0
Sub total	Female	39	0	0	0	0	0	0	0	0
	Male	43	0	0	0	0	0	0	0	0
Total		82	0	0	00	0	0	0	0	0
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										

Chapter 5

Repair and Maintenance Expenditure: 2018-2019				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	93 000	289 000	212 836	76 164
				T5.3.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Both the Supply Chain Management Policy of municipality and Standard for Infrastructure Procurement Delivery and Delivery Management policies are reviewed annually to ensure that they are in line with the Municipal Supply Chain Management Regulations, other applicable legislations and guidelines. The reviewed policy of the municipality for 2018/19 financial year was approved by the Council in June 2018.

The municipality (as far as the SCM implementation check list is concerned) does not have IT related projects above R10m, hence it has not yet utilized the services of SITA to procure such goods or service; and Lastly, an institutional delegation of powers has to be established in collaboration with Free State Provincial Treasury.

No Councilor is a member of any committee handling Supply Chain processes. All three (3) Officials in Supply Chain have the MFMA minimum competency requirements in 2016.

Non – compliance with Supply Chain Management Policy and other applicable legislations which resulted in irregular expenditure – As a remedial action to this problem, such expenditure to be investigated by MPAC, consequence management to be implemented and the SCM checklist to be reviewed and implemented effectively to ensure for an example, that all transactions, prior to awarding, are given to suppliers/service providers that are CSD compliant and/or comply with all the necessary bidding requirements.

T5.12.1

Chapter 5

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017-2018

Auditor-General Report on Financial Performance 2017-2018	
Audit Report Status*:	Unqualified Opinion (2017 – 2018)
Non-Compliance Issues	Remedial Action Taken
HR Compliance: Director did not disclose interest within 60 days	Director Corporate Serves will ensure that Section 54, 56A, Managers and Staff complete declaration of interest on an annual prior to the start of the new financial year.
HR Compliance: Minimum competency requirements not met	Management have developed WSP and approved by municipal council, the employee will attend trainings as required.
HR Compliance: Interview panel did not declare interest	Management should ensure that internal controls are followed at all times.
HR Compliance: No evidence how council/municipal manager concluded there was no misconduct before official was appointed	Management should conduct financial misconducts for the Position of the CFO and Other Senior Managers. Management should ensure that for all employees financial misconduct is conduct.
HR Compliance: Official acted in CFO position for 6 months without MEC approval	MPAC should investigate the irregular expenditure for the current year of all expenditure incurred. Management should ensure compliance with applicable laws and regulations.
HR Compliance: Official acted in CFO position for 6 months without MEC approval	MPAC should investigate the irregular expenditure for the current year of all expenditure incurred. Management should ensure compliance with applicable laws and regulations.
Consequence Management: No investigation was conducted for the UIF&W incurred	Municipal Council should review the TOR of MPAC to ensure effectiveness. Management to ensure that MPAC is sitting as per approved schedule and reporting to council within the required timeframes.
Expenditure: Payments were not made within 30 days of the invoice date	Management should manage their cash flow and budgets to ensure that payments are made within 30 days of receipt of invoice.
AOPO: Core functions not priorities in the 2017/18 financial year	Management should liaise with provincial departments in relation to core functions.

Chapter 5

	Management should submit a report to Municipal Council to prioritise core functions
Procurement and Contract Management: Three Quotations were not obtained and not evaluated	Management should ensure that local suppliers are registered on CSD through LED.
Procurement and Contract Management: Three Quotations were not obtained and not evaluated	Management should ensure that local suppliers are registered on CSD through LED.
Procurement and Contract Management: No approval for extension and Extension not tabled to council	Management should ensure the adherence to general condition of contracts in relation to goods and services when it comes to variation of scope of work.
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T6.1.1	

Auditor-General Report on Financial Performance 2018/2019	
Status of audit report:	
Unqualified Opinion	
Non-Compliance Issues	Remedial Action Taken
Unauthorised expenditure - Incorrect calculation	1. Review completeness and accuracy of budget figures per line item. 2. Recalculate unauthorised figures before adjustments
Investment - Three quotations not obtained when making investment	Obtain at least three quotations from Banks for investment account
Employee cost - MM and SM salary exceeds the upper limit	Follow up with MM on the concurrence from DCoG
Employee cost - No performance management agreement in place for employees	Management will await the Job Evaluation process to be fully completed by all stakeholders including unions.
Employee cost- Deficiencies on appointments processes	Management to investigate on the easiest way yet cost effective for new employee vetting.
Non-Compliance :(PAYE,SDL,UIF) Paid after 7 days	1. Preparing the Monthly cash flow projections; 2. Monthly Cash flow management and monitoring 3. Payment of third party payments (PAYE, SDL, UIF) before the 7th of every month
Performance monitoring and reporting: No performance evaluation was conducted for senior managers	Management will ensure that the panel members are appointed and conduct performance evaluation for Senior

Chapter 5

	Managers.
Consequence management-Discrepancies and non-compliance	Management will ensure that MPAC is sitting as per approved schedule and all reports are tabled in council on a quarterly basis. Management will ensure that consequence management are implemented as per recommendations of the MPAC
Control deficiency-Irregular expenditure(Overpayments of Salaries of employees)	Management will make a follow up with DCoC regarding the concurrence of the salaries of Senior Managers.
Supply Chain management-Internal control deficiencies and Non-compliance	1. Submit proof of SCM implementation report to PT. 2. Include SCM Reg 14 into XDM SCM Policy. 3. Implement a register of Policies and NT Circulars. 4. Implement strict measure to ensure payments are made only after services are rendered. 5. Effective Implementation of mSCOA procurement module.
MPAC not functional during the 2018/19 financial year	Management will ensure that MPAC is sitting as per approved schedule and all reports are tabled in council on a quarterly basis.
Liability Management- Long-term debt not approved by council	The finding was raised in error. The Municipality did not incur long term debt. AGSA will be engaged on this matter
Expenditure: Non-Compliance - Payments not made within 30 days after invoice date	Payments must be made within 30 days of valid invoice date Review monthly Cash flow
<i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance 2018-2019.</i>	

T6.2.1

Chapter 5

COMPONENT B: AUDITOR-GENERAL OPINION 2018-2019 (CURRENT YEAR)

Report of the auditor-general to the Free State Legislature and the council on the Xhariep District Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Xhariep Local Municipality set out on pages 120 to 172, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Xhariep District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

Chapter 5

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 25 to the financial statements, which indicates that the municipality incurred a net surplus of R6 950 900 during the year ended 30 June 2019 and, as of that date the municipality's current liabilities exceeded its current assets by R2 137 910. The municipality is unable to pay its creditors' accounts when they fall due, as it takes the municipality more than 180 days to settle creditors. These events or conditions, along with other matters as set forth in note 25, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

EMPHASIS OF MATTERS

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

IRREGULAR EXPENDITURE

9. As disclosed in note 28 to the financial statements, irregular expenditure of R2 466 957 (2018: R1 745 547) was incurred due to non-compliance with Supply Chain Regulations (SCM) requirements.

UNAUTHORISED EXPENDITURE

10. As disclosed in note 26 to the financial statements, unauthorised expenditure of R6 175 909 (2018: R1 830 760) was incurred due to overspending of the approved budget.

FRUITLESS AND WASTEFUL EXPENDITURE

11. As disclosed in note 27 to the financial statements, fruitless and wasteful expenditure of R341 809 (2018: R753 986) was incurred mainly due to interest on arrear payments to creditors and penalties.

Chapter 5

RESTATEMENT OF CORRESPONDING FIGURES

12. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Material impairment

13. As disclosed in note 4 to the financial statements, trade debtors were impaired by R1 588 212 (2018: R1 384 093).

OTHER MATTER

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

UNAUDITED DISCLOSURE NOTES

15. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

UNAUDITED SUPPLEMENTARY SCHEDULES

16. The supplementary information set out on pages 172 to 172 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on thereon.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

17. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines

Chapter 5

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

18. In preparing the financial statements, the accounting officer is responsible for assessing the Xhariep Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

19. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

21. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPA's) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
22. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future

Chapter 5

periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPAs presented in the annual performance report of the municipality for the year ended 30 June 2019:

KPA	Pages in the annual performance report
KPA 2 – basic service delivery and infrastructure	57 – 76
KPA 3 – local economic development	57 – 76

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following KPAs:

- KPA 2 – basic service delivery and infrastructure
- KPA 3 – local economic development

Other matters

26. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

27. Refer to the annual performance report on pages 45 to 76 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a number of targets.

Chapter 5

ADJUSTMENT OF MATERIAL MISSTATEMENTS

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA – basic service delivery and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

30. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

32. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

33. Reasonable steps were not taken to prevent irregular expenditure amounting to R2 466 957 as disclosed in note 28 to the annual financial statements, as required by section 62(1)(d) MFMA. The majority of the irregular expenditure was caused by non-compliance with MSA and Supply Chain regulations.

Chapter 5

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R341 809, as disclosed in note 27 to the annual financial statements, in contravention section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties for late payments of suppliers
35. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R6 175 909, as disclosed in note 26 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the subdivision of the vote and spending not allocated to a vote.

Asset Management

36. I was unable to obtain sufficient appropriate audit evidence that all investments were made in accordance with the requirements of the investment policy, as required by municipal investment regulation 3(3).

Liability Management

37. Long-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 46(2)(a) of the MFMA.

Procurement and contract management

38. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
39. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).
40. Some of the competitive bids were adjudication by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).
41. The preference point system was not applied some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.
42. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
43. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders that scored the highest points in the evaluation process as required by section

Chapter 5

2(1)(f) of Preferential Procurement Policy Framework Act Preferential Procurement Regulations.

44. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Consequence Management

45. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
46. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

HR Management

47. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

OTHER INFORMATION

48. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported in this auditor's report.
49. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
50. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
51. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Chapter 5

INTERNAL CONTROL DEFICIENCIES

52. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the findings on compliance with legislation included in this report.
53. There was slow response from the leadership in implementing and monitoring the audit action plans to address prior year findings and internal control deficiencies identified during the previous audits. This resulted in a last minute effort from management during the audit to attempt to resolve the internal control deficiencies as well as material misstatements to avoid material findings on the financial statements.
54. The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, as not all of the unauthorised, irregular, and fruitless and wasteful expenditure was investigated during the financial year.
55. There were vacancies and some instability in key positions in the finance unit of the municipality, which resulted in insufficient capacity for the municipality as it relates to the preparation of financial statements, thereby resulting in late appointments and over reliance on consultants to prepare credible financial statements.

Auditor - General.

Bloemfontein

30 November 2019



Chapter 5

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPAs and on the municipality’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Xhariep District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Chapter 5

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Chapter 5

GLOSSARY	
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Chapter 5

Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance	Indicators should be specified to measure performance in relation to input,

Chapter 5

Indicator	activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	
	FT/PT			%	
Cllr NS Mqungquthu	FT	Speaker	ANC	100%	
Cllr MJ Sehanka	FT	Executive Mayor/Executive Committee	ANC	98%	
Cllr K Moeketsi	FT	Chairperson of Corporate Services Committee	ANC	97%	
Cllr JK Sebeco	FT	Chairperson of Budget and Treasury Committee	ANC	97%	
Cllr MS Mogapi	PT	MPAC Member	ANC	96%	
Cllr TS Tseoua	PT	Budget and Treasury Committee	EFF	97%	
Cllr AJJ Van Rensburg	PT	Planning and Social Development Committee	DA	97%	
Cllr MG Ntwanambi	PT	Budget and Treasury Committee	ANC	72%	
Cllr MJ Moitse	PT	Chairperson of MPAC	ANC	96%	
Cllr MJ Phaliso	PT	Budget and Treasury Committee	ANC	84%	
Cllr AN November	PT	Planning and Social Development Committee	ANC	96%	
Cllr TD Mochechepa	FT	Chairperson of Planning and Social Development Committee	ANC	72%	
Cllr TV Nthapo	PT	Corporate Services Committee	DA	96%	

APPENDICES

Cllr Van Wyk	PT	Corporate Services Committee	DA	99%	
Cllr S Riddle	PT	MPAC Member	DA	96%	
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Oversight Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA
MPAC	Playing an oversight Role over the finances and the administration of the Municipality
T B	

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	No	
Child care facilities	Yes	
Electricity and gas reticulation	No	
Firefighting services	No	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	
<i>Continued next page</i>		
<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	

APPENDICES

Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018-2019

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2018-2019	Recommendations adopted (enter Yes) If not adopted (provide explanation)
30 July 2018	The Audit Committee Members resolved that Section 71 Report will be deferred to the next meeting. The Minutes of the previous meeting were noted with changes to be effected. The Audit Committee resolved that Unauthorized, Irregular and Fruitless and Wasteful expenditure should be a standing item in the Audit Committee meetings. The Audit Committee resolved that the matter of mSCOA should remain in the resolution register up until matter is fully resolved with Service Provider. Audit Committee noted Internal Audit Progress report with changes to be effected. The Audit Committee noted the AC Charter with changes to be made, AC Charter to be taken to the Next Council meeting with strategic documents. The Audit Committee approves the Internal Audit Charter. The Audit Committee members approves the Internal Audit Methodology The Audit Committee members approves QAIP with changes to be made prior for the QAIP to be signed by Chairperson. The Audit Committee approves the Internal Audit Policies and Procedure Manual. The Audit Committee resolved that Senior Management For this year there should be clearance of all irregular, Unauthorized, fruitless and wasteful expenditure The Audit Committee noted (3) three year rolling plan and Annual Internal Audit Plan, however the annual plan will be approved in the next audit committee meeting after Manager Internal Audit has effected changes as per Audit Committee recommendations The Audit Committee noted AGSA Progress report for July 2018	Yes

APPENDICES

	and recommended that those standing item for MPAC should be reported in the next audit committee meeting.	
29 August 2018	Audit Committee recommended that the all notes for the correction of errors should be added Audit Committee recommended that Long term and Short term should be shown separate. Audit Committee recommended that file 13 should be submitted with AFS and all changes made by the Audit Committee and Stakeholders should be effected. Audit Committee recommended that a note on lease commitments and deviations should be included on the final set of AFS.	
22 November 2018	Audit Committee resolved that Manager Internal Audit should develop declaration of interest for all meetings The Audit Committee members noted the Audit Strategic and Engagement Letter as presented to the committee. The Audit Committee members resolved that management should relook at the risk register and agrees on the risk identified by CRO. Audit Committee members resolved that CRO should conducted workshop for all employees. The Audit Committee members resolved that management should relook at the risk register and agrees on the risk identified by CRO Audit Committee members approves internal audit plan for 2018 / 2019 and three year rolling plan. Audit Committee noted the APR report and recommended that management should ensure that those errors are corrected prior to submission of APR to AGSA. Audit Committee resolved that even if Internal Audit Unit and Management does not agree on the findings, the reports should still be signed prior to be submitted to the Audit Committee. Reports should be sent to the head of departments before	

APPENDICES

	submitted to the committee.	
	Audit Committee Members resolved that Declaration of the interest for audit committee should be developed separately.	
		T G

APPENDICES

APPENDIX H – LONG TERM CONTRACTS

Long Term Contracts (Largest Contracts Entered into 2018-2019)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Fezi Auditors and Consultants JV Opulentia Financial Services	Short Term Insurance	01 March 2019	28 February 2020	Mr Paseka Tshabalala	R 766 213.96
Mega Works	Supply and Maintenance of Printers	01 December 2018	30 November 2021	Andile Tyhokolo	R 409 450.00
Khumo t/a Pan Solutions	Supply and Maintenance of Telephone Systems	01 December 2018	30 November 2021	Andile Tyhokolo	R 483 796.96
T H.1					

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider	Project Name	Contract Amount	Project Status	End User Remarks
Fezi Auditors and Consultants JV Opulentia Financial Services	Short Term Insurance	R 766 213.96	In progress	Acceptable
Mega Works	Supply and Maintenance of Printers	R 409 450.00	In progress	Acceptable
Khumo t/a Pan Solutions	Supply and Maintenance of Telephone Systems	R 483 796.96	In progress	Acceptable
AON Insurance Brokers	Short Term Insurance	R 230 088.30	Contract ended	Acceptable
Test It Lab	Sampling of drinking and waste water	R 242 284.84	Contract ended	Very Good
Thepa Trading	Supply and Maintenance of Printers	R 1,161,390.86	Contract ended	Poor
Thepa Trading	Supply and Maintenance of Telephone Systems	R 539,779.32	Contract ended	Poor
Aganang Consulting Engineers	Rural Roads Asset Management	R 2 190 000.00	In progress	Very Good

APPENDICES

LQ Technologies	ISP Service	R 900 000.00	In Progress	Acceptable
OS Holdings	mScoa project implementation	R 5 793 373.00	In progress	Acceptable

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2018-2019 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr MJ Sehanka	Nil
Member of MayCo / Exco		
	K.Moeketsi	Directorship: Redeemer
	M.G Ntwanambi	Nil
	JK Sebeco	Nil
	TD Mochechepa	Corporation 40%
	NS Mqungquthu	Shareholder; Get together Construction: R 20000 pa
Councillor	M Mogapi	Nil
	JM Moitse	
	N November	Nil
	J Phaliso	Nil
	M.G Ntwanambi	Nil
	S Tseuo	Pension GERP 6000
		Shares and securities: BKB R200 000.00AND CMW, R150 000 Other financial Interest: Rustfontein Farming, R25000000.00, Interest in property: Rustfontein ha ,R 3 600000.00 Old Mutual pension R2 000000.00
	AJJ van Rensburg	
	C. Burger	Nil
	B. Smit	Nil
		Shares and securities: Nicks place :R 1 500 000.00 Interest in Trust: Duma Family Trust R 4000 000.00 Employment and Remuneration R 250 000 Interest in property: Erf 337 Smithfield: R1 500 000.00 Old mutual: R1000 000.00
	J. Riddle	
Municipal Manager		Widows pension fund R3374.32 Property: R1 960 000.00
	LY Moletsane	

APPENDICES

Director: Corporate Services	ZQ Majenge	Property: R1 600 000.00
Director: Planning and Social Development	MS Mohale	Property: R1 350 000.00
<i>* Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J</i>		

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R '000
Description	2017-2018	2018-2019			2018-2019 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Agency services						
Transfers recognised - operational	59 679	65 269	66 071	68 253	(2 182)	(2 182)
Other revenue	1 164	507	312	1 252	(940)	(940)
Total Revenue (excluding capital transfers and contributions)						
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDICES

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	N/A	
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model	N/A	
Output: Administrative and financial capability	N/A	
<i>* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.</i>		

T T

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.